



No. 6

January 15, 2003

H.J.Res. 2 – Omnibus Appropriations Bill, FY 2003: Treasury Department, Postal Service, Executive Office of the President, and Certain Independent Agencies Appropriations

Calendar No. 1

H.J.Res. 2 was passed by the House on January 8, 2003, and is now pending on the Senate Calendar. This bill is slated to serve as the vehicle for all 11 of the yet-unsigned FY 2003 appropriations bills.

NOTEWORTHY

Note: The funding bills are before the Senate with no written reports. All information contained in this Notice comes from the Appropriations Committee as conveyed to us on or before 1/15/03.

- The legislative language for the Treasury/Postal Service funding bill will be introduced as part of a substitute (along with the other 10 yet-unsigned FY03 funding bills) to H.J.Res. 2 when the Senate turns to that bill. The bill will be amendable, and possible amendments to this bill language include FEHB abortion restrictions, prohibitions on contracting-out numerical quotas, and lifting the ban on travel to Cuba.
- On July 16, 2002, the Senate Appropriations Committee reported S. 2740, the FY 2003 Treasury Department, United States Postal Service, Executive Office of the President, and Certain Independent Agencies Appropriations Bill by a unanimous vote, but the bill did not come before the full Senate prior to adjournment sine die. Since the start of the new fiscal year on October 1, 2002, Treasury/Postal programs have been funded under a series of continuing resolutions, the most recent set to expire on January 31, 2003.
- The 11 remaining FY03 appropriations bills (only Defense and Military Construction were signed) come before the Senate with smaller funding levels than were in the bills as reported by the Appropriations Committee last year. This is to comport with the total FY03 federal discretionary spending level of \$750.5 billion agreed to by President Bush and Congressional appropriators last year. (Defense and Military Construction bills amount to \$365.3 billion of the total.)
- This bill recommends \$34.53 billion in FY03 new budget authority for the Treasury Department, the Postal Service, the Executive Office of the President, and various independent agencies for the period of October 1, 2002 through September 30, 2003. The President's FY03 request was \$34.28 billion, and the FY02 funding level was \$33.82 billion.

— BILL PROVISIONS —

Title I, Department of the Treasury

Total Title I Funding: The bill provides \$16.13 billion for Title I, including the Bureau of Alcohol, Tobacco and Firearms (ATF), the Internal Revenue Service (IRS), the U.S. Customs Service, and the Secret Service. Of this, \$888.4 million is allocated to ATF; \$3.1 billion is allocated to Customs; \$9.9 is appropriated for the IRS, and \$1 billion for the Secret Service. Of the total in Title I, \$191.8 million is for office salaries and expenses; \$68.8 million is for acquisition of automatic data processing equipment; \$20 million is for unanticipated costs associated with fighting terrorism; and \$35.4 million is for the Treasury Department's Office of the Inspector General.

- **Bureau of Alcohol, Tobacco and Firearms (BATF):** The bill provides \$888.4 million for BATF, an amount that is \$33.6 million over the FY02 level, and \$4.6 million over the request. The Administration's request includes \$9.1 million to cover costs associated with annualizing new positions provided by Congress in the FY02 emergency supplemental and other adjustments associated with World Trade Center bombings, \$10.7 million for additional costs for a new ATF National Headquarters and improved security for the agency's workforce, and \$11 million to increase the Integrated Violence Reduction Strategy/Youth Crime Interdiction Initiative. The appropriation also includes \$5 million for an explosives enforcement initiative. Of existing funds, \$2.5 million is expected to be used to continue management and technological enhancement at the AFT National Licensing Center, the Imports Branch, and the National Firearms Act Branch (NFA).
- **Customs Service:** Also provided is \$3.1 billion for the Customs Service, including money for the purchase and lease of new policing vehicles and \$435 million for automated systems modernization. The bill provides \$2.5 billion for salaries and expenses (\$29.5 million over the FY02 amount and \$109.5 million above the budget request). Of the total amount for Customs, \$177.8 million is appropriated for operation, maintenance and procurement of the Customs Air and Marine Interdiction Program to combat the illegal entry of narcotics and other goods into the United States (\$7 million above the request). The bill provides an additional \$4 million to fight forced child labor, \$4 million for expanded intellectual property rights initiatives, \$500,000 for the Vermont World Trade Center, \$2.3 million for canine curriculum on chemical and biological threats, \$4 million for port technology research and development, \$10 million for the Container Security Initiative, \$2 million for a bulk currency initiative, and \$750,000 for the Center for Agricultural Policy and Trade Studies. The bill directs the Customs Service to continue providing \$100,000 of available funds to promote public awareness for the child pornography tipline, including ongoing efforts to make children aware of the tipline.

- **Bureau of the Public Debt:** An appropriation of \$191 million (\$4.1 million over last year) is provided for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.
- **Internal Revenue Service:** The IRS is funded at \$9.9 billion, which represents a \$450 million increase over FY02. Of that, \$3.9 billion is appropriated for processing, tax assistance and management (\$144 million more than FY02, and \$2.5 million under the request); \$3.7 billion for tax law enforcement (which meets the request and is \$186 million over the FY02 figure); \$1.6 billion is provided for information systems (which meets the request and is \$69.2 million over FY02), and \$146 million for the earned income tax credit (EITC) compliance initiative (the amount meets the request and is the same figure as in FY02). The bill also provides \$436 million for business systems modernization (previously called information technology investments) to provide for revamping business practices and acquiring new technology (\$44.3 million over FY02, and \$14 million under the Administration's request). The bill includes \$2.4 million for Volunteer Income Taxpayer Assistance and \$7 million for the Low Income Taxpayer Clinic program.
- **U.S. Secret Service:** The bill provides \$1.01 billion for Secret Service salaries and expenses, a decrease of \$14.5 million from FY02, and \$382,000 over the budget request. The bill provides \$3.5 million for Secret Service acquisition, construction, improvements and related expenses, which meets the budget request and is \$62,000 over the FY02 appropriation. It also provides an additional \$740,000 for the National Center for Missing and Exploited Children

Title II, U.S. Postal Service

- **Payments to the Postal Service Fund:** The bill recommends an appropriation of \$76.6 million in FY03 for payments to the Postal Service Fund. This includes \$47.6 million in advance appropriations made available on October 1, 2002, and \$29 million in partial reimbursement for losses incurred in previous years for reduced-rate mail, as required by the Revenue Forgone Act of 1993. The Committee also recommends an advance appropriation of \$31 million for FY04 as requested by the President. This amount consists of \$49 million for providing free mail to the blind and overseas voters from which \$18 million has been deducted to reconcile previous fiscal year estimated mail volume with actual volume.

Title III, Executive Office of the President

- **Total Funding for Title III:** A total of \$733.5 million is provided for the accounts funded under this Title (\$68 million below the FY02 appropriation, and \$82 million below the request). This funding includes \$450,000 for the President's annual salary, and \$59.7 million for additional salaries and expenses in the Executive Office. Other accounts provided for (and not discussed further below) include: \$70.7 million for the Office of Management and Budget; \$70.1 million for the Office of Administration; and \$12.2 million for operating expenses of the Executive Residence.

- **Office of Homeland Security:** \$24.8 million is allocated in a new account for the Office of Homeland Security.
- **Office of National Drug Control Policy (ONDCP):** The Committee includes \$26.5 million for ONDCP salaries and expenses, and \$40 million for the Counterdrug Technology Assessment Center.
- **Federal Drug Control Programs:**
 - **HIDTAs:** The Committee provides \$226.4 million (\$20 million above the request) for High-Intensity Drug Trafficking Areas (HIDTAs). The bill instructs the Director to obligate the funds within 120 days of enactment of this bill.
 - **Special Forfeiture Fund:** \$172.7 million is provided, a \$66.7 million decrease from FY02, and \$78.6 million under the budget request.

Title IV, Independent Agencies

- **General Services Administration:** The bill recommends new obligational authority of \$997.8 million for repairs and alterations, and \$631.7 million for construction and acquisition of facilities (\$76 million above the request). Also, the bill recommends a limitation of \$3.1 billion for rental space and a limitation of \$1.96 billion for building operations. The bill also provides \$5 million (the budget request was \$45 million), as it did in FY02, for the Electronic Government fund.
- **Office of Personnel Management:** The bill provides a total of \$261.8 million, with \$128 million for salaries and expenses.
- **White House Commission on the National Moment of Remembrance:** This first-time appropriation is \$250,000. The Commission is intended to revitalize understanding and commemoration of Memorial Day.
- **Funding for other independent agencies:**
 - A total of \$270.9 million for the **National Archives and Records Administration**, of which \$249 million is for salaries and expenses and \$14.2 million for repairs and restoration;
 - \$45.2 million for the **Federal Election Commission** (\$1.6 million over FY02);
 - \$28.6 million for the **Federal Labor Relations Authority** (\$2.1 million over FY02).

– NEW AND CONTINUED PROVISIONS –

- The bill language is silent on the issue of abortion coverage in Federal Employees' Healthcare Benefit Plans (FEHBP). The bill passed by the House in the 107th Congress had the previous-years' provision prohibiting federal funds for abortions in FEHB plans, with exceptions for life of the mother, rape, and incest.
- Section 124 is a new provision mandating more expeditious licensing procedures for the Office of Foreign Assets Control.
- Section 126 authorizes a pilot project for a US/Canada "reverse inspection" program, permitting each country's Customs authorities to inspect vehicles before they cross the border.
- Section 511 continues a provision that cost accounting standards under the Federal Procurement Policy Act shall not apply to the Federal Employees' Health Benefits Program.
- Section 515 is a new provision increasing, with the next President, the size of the endowment for future Presidential libraries from 20 percent to 40 percent.
- Section 637 is a new provision regarding Federal employee pay adjustments.

The bill also contains a number of general provisions that have been carried in prior years.

— ADMINISTRATION POSITION —

At press time, no Statement of Administration Policy on the bill was available, but one was anticipated.

— POSSIBLE AMENDMENTS —

- (Unknown). An amendment to insert Federal Employees' Health Benefits Plan abortion restrictions.
- (Unknown). An amendment to insert prohibitions on contracting-out numerical quotas.
- (Unknown). An amendment to insert language lifting the ban on travel to Cuba for certain purposes.

Staff Contact: Rich Douglas, 224-2946
(Chart attached)

**Department of the Treasury and General
Government Appropriations, FY 2003**

(Dollars in thousands; selected items only)

Item	02 Appropriation	FY 03 Request	Senate reported 03
Title I, Treasury Department			
Departmental Offices	177,142	191,914	191,887
Systems and Capital Investment	68,828	68,828	68,828
Treasury IG	35,424	35,428	35,424
Treasury IG for Tax Administration	125,778	123,962	123,962
Treasury Buildings Repair/Restoration	28,932	32,932	30,932
Air Transportation Stabilization Program		6,041	6,041
Expanded Access to Financial Services	2,000	2,000	2,000
Fin CEN	45,537	50,517	50,517
Counterterrorism Fund	40,000	40,000	20,000
FLETC S&E	128,680	122,393	126,660
FLETC ACI&RE	41,934	23,329	32,029
Interagency Law Enforcement: ICDE	107,576	107,576	107,576
Financial Management Service	212,850	220,712	220,664
ATF	854,747	883,775	888,430
Customs S&E	2,471,960	2,391,952	2,501,488
Customs Air/Marine	184,560	170,829	177,829
Customs Automation Modernization	427,832	435,332	435,332

Harbor Maintenance Fee Collection	3,000	3,000	3,000
Bureau of Public Debt	186,953	191,119	191,073
Payment for Govt. Losses in Shipment	1,000	1,000	1,000
IRS/PAM	3,810,880	3,958,337	3,955,777
IRS/TLE	3,542,891	3,729,072	3,729,072
IRS/EITC	146,000	146,000	146,000
IRS/IS	1,563,240	1,632,444	1,632,444
IRS/Business Systems Modernization	391,593	450,000	436,000
Secret Service S&E	1,025,384	1,010,435	1,010,817
Secret Service ACI&RE	3,457	3,519	3,519
TOTAL TITLE I	15,636,178	15,871,487	16,134,342
Title II, Postal Service			
Postal Service Funds	683,093	76,619	29,000
TOTAL TITLE II	683,093	76,619	29,000
Title III, Executive Office of the President and Funds Appropriated to President			
Compensation of the President	450	450	450
White House Office S&E	54,651	84,592	59,735
Office of Homeland Security			24,844
Executive Residence OE	11,695	12,228	12,228
WH Repair/Restoration	8,625	1,200	1,200
Special Assistance to the President	3,925	4,066	4,066

Official Residence of the Vice President	318	324	324
Council of Economic Advisors	4,211	4,405	4,405
Office of Policy Development	4,142	4,221	4,221
National Security Council	7,494	9,525	9,525
Office of Administration	100,795	70,128	70,128
Office of Management and Budget	70,652	70,756	70,752
ONDCP S&E	25, 263	25, 458	26,456
ONDCP CTAC	42,300	40,000	40,000
Federal Drug Program: HIDTA	226,350	206,350	226,350
ONDCP Special Forfeiture Fund	239,400	251,300	172,700
Unanticipated Needs	1,000	1,000	1,000
TOTAL TITLE III	801,271	815,940	733,468
Title IV, Independent Agencies			
CPPBSD (Blind and severely disabled)	4,629	4,629	4,629
Federal Election Commission	43,689	45,244	45,244
Federal Labor Relations Authority	26,524	28,684	28,677
GSA/Construction	662,680	555,574	631,663
GSA/Repairs and Alterations	859,376	986,029	997,839
GSA/Installment Payments	186,427	178,960	178,960
GSA/Rental of Space	2,952,050	3,153,211	3,153,211
GSA/Building Operations	1,748,949	1,965,160	1,965,160
GSA/Policy and Operations	143,139		

GSA/Policy & Citizen Services		65,995	65,995
GSA/Operating Expenses		88,263	94,640
GSA/IG	36,346	37,617	37,617
GSA/Electronic Government	5,000	45,000	5,000
GSA/Allowances for Former Presidents	3,198	3,339	3,339
Merit Systems Protection Board S&E	30,555	31,790	31,788
Merit Systems Protection Board Limitation	2,520	2,594	2,594
Udall Scholarship	1,996	1,996	1,996
Udall Environmental Dispute Resolution	1,309	1,309	1,309
National Archives Salary/Expenses	245,847	256,731	249,731
National Archives Repairs/Restoration	40,143	10,458	14,208
NHPRC	6,436	5,000	7,000
Office of Government Ethics	10,117	10,488	10,486
OPM Salary/Expenses	99,636	128,804	128,736
OPM Management Limitation	115,928	120,791	120,791
OPM IG	1,498	1,498	1,498
OPM IG Limitation	10,016	10,766	10,766
Annuitants/Health Benefits	6,129,000	6,853,000	6,853,000
Annuitants/Life Insurance	34,000	34,000	34,000
Retirement Fund	9,229,000	9,410,000	9,410,000
Office of Special Counsel	11,891	12,434	12,434
United States Tax Court	37,305	37,305	37,305
WH Comm. on Remembrance		250	250
TOTAL TITLE IV	16,696,570	17,517,199	17,569,146

